

1 Cory J. Rooney (SBN 235838)
2 PO Box 382
3 Omaha, NE 68101
4 Telephone: (402) 933-9865
Facsimile: (402) 401-2701
Email: rooneylaw@outlook.com
5 Attorney For Plaintiff

6 UNITED STATES BANKRUPTCY COURT
7 CENTRAL DISTRICT OF CALIFORNIA
(San Fernando Valley)

8
9 IN RE:
10 RAY HUDSON, and
11 SAMANEH HUDSON,

Case No. 1:24-bk-11716-MB

12 Debtors.

Chapter 7

13
14 AMERIFIRST, a division of
First National Bank of Omaha,
15 Plaintiff,

**COMPLAINT SEEKING
EXCEPTION TO DISCHARGE
PURSUANT TO 11 U.S.C.
§523 (a) (2) (B) and/or
523 (a) (2) (A)**

16 v.
17

18 RAY HUDSON,

A.P. No. 25-ap-_____

19 Defendants.

Hon. Judge Barash

20
21 The Plaintiff, AmeriFirst, by and through its attorney, and for its Complaint against the Debtor,
22 avers and alleges as follows:

I. Parties and Jurisdiction

- 23
24 1. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §1334 and §157.
25 2. This matter is a core proceeding pursuant to 28 U.S.C. §157.
26 3. The Debtors filed a Petition, and an Order for Relief was entered under 11 U.S.C Chapter 7 on
October 9, 2024.
27 4. The Plaintiff is a named creditor in the above referenced bankruptcy proceeding and is objecting to
28 the discharge of a debt in this bankruptcy.

5. The Plaintiff consents to entry of final orders or judgment by the bankruptcy court.

II. Facts and Background

6. On or about August 22, 2023, the Debtor, Ray Hudson, applied for a loan from AmeriFirst in the amount of \$70,000.00. *See* a true and accurate copy of said application attached hereto as Exhibit A.

7. The purpose of the loan was for the financing of a kitchen remodel and home improvement on Debtor's property.

8. On said application for credit, Defendant stated an income of \$28,144.84 a month from self-employed income. *See Exhibit A.*

9. AmeriFirst relied on Debtor's representations on said application of credit.

10. Debtor's representations and pretenses concerning Debtor's income on said application were false.

11. On August 24, 2023, the Debtor was approved and dispersed a loan in the amount of \$70,000.00.
See Exhibit B, loan agreement.

12. The Debtor made 7 minimum payments and then ceased paying on the Loan leaving a current outstanding balance of \$63,724.50, exclusive of interest.

13. Pursuant to the AmeriFirst loan agreement, Debtor promised not to submit false or inaccurate information regarding their credit worthiness, standing, or capacity.

14. On Debtor's bankruptcy Schedules he stated that he had an income of \$27,737.00 in 2023 and \$26,024 in 2022, which was materially different than his stated income on his application for credit with Amerifirst.

15. The \$70,000.00 was deposited directly into Debtor's bank account and upon information and belief no kitchen remodel was performed at Debtor's residence.

16. After the \$70,000.00 was deposited into Debtor's bank account and prior to the Debtor filing this bankruptcy, he also took out a second mortgage on his property in the amount of \$100,343.00, leased two vehicles in the amounts of \$39,255.00 and \$40,321.00, and added an additional approximately \$13,000.00 in unsecured credit card debt.

17. The Debtor listed \$460,609.00 in Unsecured Debt.

18. The Debtor started paying his bankruptcy attorney on June 12, 2024.

19. The Debtor has previously filed for bankruptcy protection.

III. First Cause of Action

20. Paragraphs 1 through 19 are hereby repeated and incorporated as if fully set forth herein.

- 1 21. Debtor deliberately misrepresented material information on his application for a loan with Plaintiff.
- 2 22. Debtor intended to deceive Plaintiff into extending him credit.
- 3 23. At the time of said representations, Debtor willfully and knowingly submitted income levels
4 contained in his application for a loan that were false.
- 5 24. AmeriFirst reasonably relied on these false representations made by Defendant.
- 6 25. Based on these representations, Plaintiff extended Defendant a loan in the amount of \$70,000.00.
- 7 26. Based upon the above, at the time the Debtor incurred the abovementioned \$63,724.50 in remaining
8 debt by use of a statement in writing, that was materially false, respecting the debtor's financial
9 condition, which AmeriFirst reasonably relied upon, and the Debtor submitted with the intent to
deceive AmeriFirst.
- 10 27. Based on the foregoing, the \$63,724.50 in debt incurred by Defendant is not dischargeable pursuant
11 to 11 U.S.C. §523 (a) (2) (B).

III. Second Cause of Action

- 12 28. Paragraphs 1 through 27 are hereby repeated and incorporated as if fully set forth herein.
- 13 29. The Debtor deliberately overstated his income in an attempt to induce Plaintiff to loan him
14 \$70,000.00 shortly before he filed bankruptcy.
- 15 30. The Debtor made seven minimum payments towards this loan after receiving the funds and prior
16 to filing bankruptcy for a second time.
- 17 31. The Debtor either knew they he was not going to pay Plaintiff back for the \$70,000.00 loan and/or
18 acted with a reckless disregard to his ability to pay Plaintiff.
- 19 32. After Debtor received this \$70,000.00 from Plaintiff, Debtor went on to incur significantly more
20 debt with other creditors prior to filing this bankruptcy.
- 21 33. The Plaintiff was justified in its reliance upon the Debtor's representations of intent to repay the
22 Plaintiff pursuant to the Loan Agreement where Debtor promised not to submit false information.
- 23 34. Based upon the above, at the time the Debtor incurred the abovementioned \$63,724.50 in debt, the
24 Debtor intended to deceive the Plaintiff in that he either had no intention to repay said debt to the
25 Plaintiff pursuant to the terms of the agreement or the Debtor knew or should have known that he
had no ability to repay said debt to the Plaintiff.
- 26 35. Based upon the above, at the time the Debtor incurred the abovementioned \$63,724.50 debt, the
27 Debtor deceived the Plaintiff in that they made such representations of intent to repay the Plaintiff
28 pursuant to the terms of the agreement and representations of agreement with knowledge that the

1 Debtor was unable to repay Plaintiff or to abide by the terms of the agreement with a reckless
2 disregard as to the truthfulness of said representations.

3 36. Therefore, the Debtor obtained said money from the Plaintiff by false pretenses, false
4 representation, or actual fraud, and at the time of filing, the debt owed to the plaintiff was in the
5 remaining amount of \$63,724.50 and for the above reasons, this indebtedness to Plaintiff,
6 AmeriFirst, is nondischargeable in bankruptcy pursuant to 11 U.S.C. §523 (a) (2) (A).

7 **VI. Prayer for Relief**

8 **WHEREFORE**, Plaintiff, AmeriFirst, respectfully prays that this Court:

- 9 A. Determine that the Debtor's, Ray Hudson, indebtedness to the Plaintiff is an exception to
10 discharge pursuant to 11 U.S.C. §523 (a) (2) (B) and/or 11 U.S.C. §523 (a) (2) (A).
11 B. Grant judgment to the Plaintiff, AmeriFirst, against the Debtor, Ray Hudson, in the amount of
12 \$63,724.50 plus the \$350.00 Adversary Proceeding filing fee, for a total of \$64,074.50, plus the
13 Plaintiff's other costs and disbursements incurred for the collection of this debt and of this
14 action as permitted by applicable law, and
15 C. Grant the Plaintiff such other and further relief as to this Court seems just and proper.

16 Dated: January 17, 2025

17 AMERIFIRST

18 BY: /s/ Cory J. Rooney
19 Cory J. Rooney, #235838
20 PO BOX 382
Omaha, NE 68101
402-933-9865
rooneylaw@outlook.com